

From: Propst, Wayne, PERA
Sent: Monday, October 28, 2019 12:38 PM
To: Bill Rehm
Subject: Re: Projections by Division

Good afternoon Representative,

I believe this is what you are referring to. Fyi, this is updated with our most recent valuation results.

Regards,

Wayne

Wayne Propst

Executive Director

Public Employees Retirement Association (PERA)

p: 505-476-9301

a: 33 Plaza La Prensa Santa Fe, NM 87507

w: www.nmpera.org

e: wayne.propst@state.nm.us

	Funded Ratio	Funding Period	Employee Contribution	Employer Contribution	Contribution Shortfall
PERA	69.90%	Infinite	12.01%	14.88%	6.51%
State General	60.90%	Infinite	8.93%	17.24%	12.52%
State Police/Corrections	130.20%	0	8.74%	25.58%	N/A
Municipal General	75.10%	49 years	13.49%	9.77%	2.14%
Municipal Police	73.10%	Infinite	17.24%	18.66%	7.63%
Municipal Fire	59.00%	Infinite	17.56%	21.55%	16.62%



PERA

Public Employees
Retirement Association
of New Mexico

James Maxon, MPA
Chair, County Member
Wayne Propst
Executive Director

P: (505) 476-9300
F: (505) 476-9401
Toll Free:
1(800) 342-3422

INVESTED IN TOMORROW.

January 29, 2019

Representative William "Bill" Rehm
10932 Richfield NE
Albuquerque, NM 87122

Dear Representative Rehm:

Thank you for your email requesting certain retirement data for law enforcement members. The updated numbers are as follows:

- Yes it is that time of year for me to make requests. Please research the amount of monies the PERA return to work police have contributed to the fund.** The cumulative breakdown is below, the current number for employers and employees in 2018 is \$26,965,244.03 (Note: with the exception of State Police/Adult Correctional Officers, many employers "pick up" up to 75% of the employee contributions for the members in these Divisions, therefore the actual employer amount is significantly higher and actual amount of employee contributions are significantly lower).

Calendar Year	Plan	Employee Contributions	Employer Contributions	Total
2010	Municipal Police Plan 1	\$3,719.07	\$11,038.05	\$14,757.12
2010	Municipal Police Plan 3	\$4,820.82	\$24,406.29	\$29,227.11
2010	Municipal Police Plan 4	\$9,808.50	\$28,683.28	\$38,491.78
2010	Municipal Police Plan 5	\$660,630.66	\$2,058,138.01	\$2,718,768.67
2010	State Police/Adult Corr Officer Plan 1 20 % Added	\$31,657.28	\$211,700.55	\$243,357.83
FY10 TOTALS:		\$710,636.33	\$2,333,966.18	\$3,044,602.51
2011	Municipal Police Plan 1	\$5,408.81	\$7,726.91	\$13,135.72
2011	Municipal Police Plan 3	\$10,867.03	\$28,720.35	\$39,587.38
2011	Municipal Police Plan 4	\$16,631.66	\$24,913.45	\$41,545.11
2011	Municipal Police Plan 5	\$1,256,337.38	\$1,431,823.02	\$2,688,160.40
2011	State Police/Adult Corr Officer Plan 1 20 % Added	\$74,061.86	\$170,465.73	\$244,527.59
FY11 TOTALS:		\$1,363,306.74	\$1,663,649.46	\$3,026,956.20
2012	Municipal Police Plan 1	\$6,006.54	\$8,580.75	\$14,587.29
2012	Municipal Police Plan 3	\$11,283.70	\$29,821.56	\$41,105.26
2012	Municipal Police Plan 4	\$16,904.33	\$25,322.65	\$42,226.98

2012	Municipal Police Plan 5	\$1,275,082.74	\$1,449,411.65	\$2,724,494.39
2012	State Police/Adult Corr Officer Plan 1 20 % Added	\$71,808.51	\$161,507.36	\$233,315.87
FY12 TOTALS:		\$1,381,085.82	\$1,674,643.97	\$3,055,729.79
2013	Municipal Police Plan 1	\$7,716.92	\$9,991.30	\$17,708.22
2013	Municipal Police Plan 3	\$12,869.60	\$30,917.34	\$43,786.94
2013	Municipal Police Plan 4	\$16,466.25	\$23,499.28	\$39,965.53
2013	Municipal Police Plan 5	\$1,331,523.85	\$1,454,409.39	\$2,785,933.24
2013	State Police/Adult Corr Officer Plan 1 20 % Added	\$63,491.50	\$169,501.28	\$232,992.78
FY13 TOTALS:		\$1,432,068.12	\$1,688,318.59	\$3,120,386.71
2014	Municipal Police Plan 1	\$8,903.97	\$10,668.78	\$19,572.75
2014	Municipal Police Plan 3	\$10,860.70	\$23,802.17	\$34,662.87
2014	Municipal Police Plan 4	\$15,855.20	\$21,393.00	\$37,248.20
2014	Municipal Police Plan 5	\$1,189,708.50	\$1,247,294.17	\$2,437,002.67
2014	State Police/Adult Corr Officer Plan 1 20 % Added	\$63,853.56	\$177,396.42	\$241,249.98
FY14 TOTALS:		\$1,289,181.93	\$1,480,554.54	\$2,769,736.47
2015	Municipal Police Plan 1	\$9,545.09	\$11,678.60	\$21,223.69
2015	Municipal Police Plan 3	\$10,158.00	\$22,586.40	\$32,744.40
2015	Municipal Police Plan 4	\$0.00	\$0.00	\$0.00
2015	Municipal Police Plan 5	\$1,035,268.70	\$1,099,235.31	\$2,134,504.01
2015	State Police/Adult Corr Officer Plan 1 20 % Added	\$52,179.01	\$146,215.64	\$198,394.65
FY15 TOTALS:		\$1,107,150.80	\$1,279,715.95	\$2,386,866.75
2016	Municipal Police Plan 1	\$10,047.00	\$12,293.84	\$22,340.84
2016	Municipal Police Plan 3	\$10,266.36	\$22,827.48	\$33,093.84
2016	Municipal Police Plan 4	\$0.00	\$0.00	\$0.00
2016	Municipal Police Plan 5	\$1,059,916.90	\$1,125,416.05	\$2,185,332.95
2016	State Police/Adult Corr Officer Plan 1 20 % Added	\$54,427.57	\$152,516.26	\$206,943.83
FY16 TOTALS:		\$1,134,657.83	\$1,313,053.63	\$2,447,711.46
2017	Municipal Police Plan 1	\$6,648.91	\$8,135.13	\$14,784.04
2017	Municipal Police Plan 3	\$7,897.20	\$17,559.60	\$25,456.80
2017	Municipal Police Plan 4	\$0.00	\$0.00	\$0.00
2017	Municipal Police Plan 5	\$1,098,895.45	\$1,675,614.06	\$2,774,509.51
2017	State Police/Adult Corr Officer Plan 1 20 % Added	\$36,761.93	\$103,013.81	\$139,775.74
FY17 TOTALS:		\$1,150,203.49	\$1,804,322.60	\$2,954,526.09
2018	Municipal Police Plan 1	\$7,735.00	\$9,464.00	\$17,199.00
2018	Municipal Police Plan 5	\$1,808,894.34	\$1,920,676.85	\$3,729,571.19

2018	State Police & Adult Corr Officer Plan 1 20 % Added	\$108,349.56	\$303,608.30	\$411,957.86
<i>FY18 Totals</i>		<i>\$1,924,978.90</i>	<i>\$2,233,749.15</i>	<i>\$4,158,728.05</i>
TOTALS:		\$11,493,269.96	\$15,471,974.07	\$26,965,244.03

2. Please research the last year cost of the 2% COLA to the retired police:

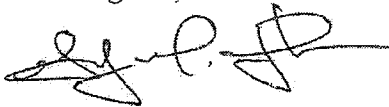
June 30, 2018 Benefit Data

	State Police	Municipal Police	Total
Total Annual Benefits	48,048,632.88	134,157,358.92	182,205,991.80
Annual Base Benefits	38,547,364.08	108,499,026.12	147,046,390.20
COLA portion of annual benefits	9,501,268.80	25,658,332.80	35,159,601.60

3. Onetime payment into PERA - \$50 to \$100 million. What would those one time contributions do to the fund? A one-time cash infusion of \$100 million into the PE fund would increase the funded ratio from 75.7% to 77.4% in 2043. The State General division within the PE fund increases from 35.1% to 39.4% in 2043.

I hope this is helpful. I am available to discuss with you in more detail. You may reach me directly at 505.476.9303 or on my cell at 505.238.7644.

Best regards,



Greg Trujillo
Deputy Executive Director



PERA

Public Employees
Retirement Association
of New Mexico

James Maxon, MPA
Chair, County Member
Finance Panel
Executive Director

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INVESTED IN TOMORROW.

January 18, 2018

Representative William "Bill" Rehm
10932 Richfield NE
Albuquerque, NM 87122

Dear Representative Rehm:

Thank you for your email requesting certain retirement data for law enforcement members. I apologize for the delay in responding.

1. **Previously you had supplied me with the amount of monies the return to work have paid into PERA. That number was about \$15 million. What is the current number? The cumulative breakdown is below, the current number as of 6/30/2017 is \$22,806,515.98**

I would note that the total contributions made by employers and employees to PERA during this period of time amount to \$4,335,557,580. The contributions made by the RTW members represented below amounts to roughly 0.005% of the total contributions PERA received. Additionally, we anticipate that we would have received roughly the same amount of contributions by members not also in RTW status.

Calendar Year	Plan	Employee Contributions	Employer Contributions	Total
2010	Municipal Police Plan 1	\$3,719.07	\$11,038.05	\$14,757.12
2010	Municipal Police Plan 3	\$4,820.82	\$24,406.29	\$29,227.11
2010	Municipal Police Plan 4	\$9,808.50	\$28,683.28	\$38,491.78
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FY16 TOTALS:		\$1,150,203.49	\$1,804,322.60	\$2,954,526.09
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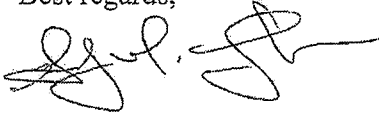
TOTALS:		\$9,568,291.06	\$13,238,224.92	\$22,806,515.98
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2. **Of the retired police officers what percent of those officers returned to work?** As of 6/30/2017 PERA had 465 re-employed retirees, 119 of these members serve in law enforcement positions. Since the return to work program ended in 2010 the number of grandfathered in re-employed retirees has declined significantly. Also, since these members would have been retired prior to 7/1/2010 it is impossible to estimate the percent of officers that have returned to work.

3. **What is the PERA savings return to work officers have made to PERA by not taking their 2% COLA?** For the 119 re-employed retirees in law enforcement positions, the suspension of their COLA was \$694,377.84 for FY17. In FY17 the RTW officers received \$7,764,358.66 in wages from active employment and \$4,605,711.60 in pension benefits for a combined average of \$104,200 per RTW officer.

I hope this is helpful. I am available to discuss with you in more detail. You may reach me directly at 505.476.9303 or on my cell at 505.238.7644.

Best regards,



Greg Trujillo
Deputy Executive Director



PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT BOARD

P.O. Box 2123
Santa Fe, New Mexico 87504-2123
(505) 476-9300 Voice (505) 476-9401 Fax
www.pera.state.nm.us

PATRICIA (PATTY) FRENCH, Chair
Municipal Member

WAYNE PROPST
Executive Director

September 5, 2013

The Honorable William "Bill" Rehm
New Mexico State Representative
P.O. Box 14768
Albuquerque, NM 87191

Dear Representative Rehm:

Thank you for your letter of August 9, 2013.

In response to your questions:

Using the FY 2012 data regarding those PERA retirees who have returned to state employment, how will the PERA replace the loss of over \$10 million per year in funds?

PERA does not anticipate needing to "replace" the funds. More than 800 retirees who have returned to state employment continue to be employed and therefore continue to make contributions to PERA and will for years to come. Retirees who leave employment and return to retired status will be replaced through the normal recruitment process and their replacements will pay contributions to PERA in roughly the same amounts.

I would note that the approximately \$10 million we receive in contributions from return to work employees and their employers amounted to less than .017% of our revenue for FY 12.

Assuming that the number of returning PERA retirees remains constant, and assuming a reasonable return on investment on the windfall contributions for this group of employees, what would the total gain to the PERA fund be over a 10 year period?

Representative William "Bill" Rehm
September 5, 2013
Page two

PERA does not assume that the number of returning PERA retirees will remain constant. The number will gradually decline through natural attrition as grandfathered reemployed employees return to retired status. As noted above, however, we do not anticipate a negative effect on contributions that PERA receives as the number of return to work employees employed by the state decreases.

What increase in contributions would be required to maintain the 3% COLA? In your answer, would you please include the percentage increase need per current member to return the extra 1%?

I believe the \$12 million cited in your letter was approximately \$15 million and was based on restoring the 3% COLA for PERA retirees in the Municipal Police plan only. The \$15 million was also based on our most recent valuation at the time (July 1, 2012) and reflected our actuary's estimate of the increase to PERA's Unfunded Accrued Actuarial Liability (UAAL). PERA's actuaries are preparing updated valuations based on FY13 investment returns and the changes made during the past legislative session. We anticipate receiving those valuations in late October. At that time I will revisit this issue with them.

How many current members now have a higher retirement benefit? Please provide information separately for retirees who have returned to work for the state and for those who have not yet retired.

PERA had 185 July 1st retirees of whom eight retired at 90%. The eight members who retired at 90% did so with 30 years of service credit. I would note that previously retired members who had service credit accrued in excess of the 80% maximum did not automatically receive a higher pension benefit on July 1, 2013.

Please provide the number of PERA retirees who have returned to work as of January 1, 2013 and the number of those who have been rehired since the July 1, 2013 changes to the PERA program took effect.

As you are aware, since July 1, 2010, PERA retirees are prohibited, except in limited circumstances, from returning to work with a PERA affiliate unless they suspend their pension. Since January 1, 2013 our records indicate that 17 retirees have chosen to return to work with a PERA affiliate and suspend their pensions. These members are now contributing members accruing additional service credit. Since July 1, 2013, our records indicate that two PERA retirees have returned to work with a PERA affiliate.

Finally, your letter cites calculations from the Legislative Council Service (LCS) on the impact to "take home pay" of a 2%, 3%, 4%, 5% and 6% increase in employee contributions. While the calculations appear correct I would note that this is not the way the PERA or other public pension plans model increases in contributions.

Representative William "Bill" Rehm
September 5, 2013
Page three

The LCS modeled a 2%, etc. increase "of" the employee contribution. Increasing the statutory contribution rate from 8.92% to 9.09% (2% of 8.92%) would result in little additional revenue to PERA and would have little, if any, impact on PERA's funded status. However, a 2% increase over the statutory rate (i.e. moving from 8.92% to 10.92% of pay) would have a significant impact on our funded status and a more significant impact on take home pay than what the LCS modeled. As an example, SB 27 increased the statutory employee contribution rate by 1.5% thereby increasing the rate from 7.42% to 8.92% not from 7.42% to 7.53%.

Again, thank you for your letter and please feel free to contact me if you have further questions.

Sincerely,



Wayne Propst
Executive Director

cc: Investments and Pensions Oversight Committee
PERA Board of Trustees

Propst, Wayne, PERA

FY 12

Subject: PERA rehire info

*Just under
1,100 return
to work*

Plan	Employee	Employer	Total
Municipal Detention Officer Plan 1	\$23,210.64	\$23,210.65	\$46,421.29
Municipal Fire Plan 3	\$4,913.64	\$13,051.86	\$17,965.50
Municipal Fire Plan 5	\$132,956.96	\$188,568.57	\$321,525.53
Municipal Plan 1	\$9,838.58	\$9,838.58	\$19,677.16
Municipal Plan 1a	\$2,794.19	\$2,794.19	\$5,588.38
Municipal Plan 2	\$321,625.96	\$324,288.43	\$645,914.39
Municipal Plan 2a	\$15,694.51	\$22,321.75	\$38,016.26
Municipal Plan 3	\$1,140,493.03	\$828,141.61	\$1,968,634.64
Municipal Plan 3a	\$26,774.22	\$18,629.83	\$45,404.05
Municipal Plan 4	\$65,250.91	\$55,620.78	\$120,871.69
Municipal Plan 4a	\$87.64	\$65.24	\$152.88
Municipal Police Plan 1	\$5,512.35	\$7,874.85	\$13,387.20
Municipal Police Plan 2	\$1,757.41	\$3,765.96	\$5,523.37
Municipal Police Plan 3	\$6,842.73	\$18,084.37	\$24,927.10
Municipal Police Plan 4	\$16,257.62	\$37,629.40	\$53,887.02
Municipal Police Plan 5	\$1,550,423.17	\$1,794,349.98	\$3,344,773.15
State General Plan 3	\$1,576,990.58	\$1,996,767.91	\$3,573,758.49
State General Plan 3a	\$33,967.77	\$42,761.41	\$76,729.18
State Hazardous Duty Plan 2	\$4,151.95	\$11,750.36	\$15,902.31
State Police & Adult Corr Officer Plan 1 20 Prct Added	\$4,939,543.86	\$5,399,515.73	\$10,339,059.59

***COLA payments to re-employed retirees for FY2012 totaled \$5,402,745.60